

**PLACER COUNTY DEFERRED COMPENSATION
COMMITTEE MEETING MINUTES
Wednesday, August 24, 2016
1:30 pm – 3:30 pm
Auditor-Controller Conference Room
2970 Richardson Drive
Auburn, CA 95603**

Present: Andy Sisk, Auditor-Controller-Chair; Lori Walsh, Human Resources Director; Jenine Windeshausen, Treasurer Tax Collector; Paul Jacobson, Retiree Representative; Matt Bartholomew, PPEO Representative.

Absent: Andy Heath, Assistant County Executive Officer; Noah Frederito, DSA Representative;

Other Attendees: Jerry Carden, County Counsel; Ann McNellis, Human Resources; Kimberly Hawley, Treasurer Tax Collector.

Call to Order

Meeting called to order at 1:34 pm by Andy Sisk, Chair.

Public Comment

None.

Approval of Draft Deferred Compensation Committee Minutes for the July 13, 2016 meeting

Paul Jacobson and Jenine Windeshousen abstained as they were both absent for the July 13th meeting. Since there was no quorum, minutes will be approved at the September 14th meeting.

Administrative Matters

Hardship Requests

MassMutual will be handling hardship requests from here on out. The Committee will get quarterly reports starting in October, 2016.

Loan Program with MassMutual

Three employees are leaving employment and will be taken off the payment plan.

Lori discussed payment options for defaulted employees and distributed a draft letter Human Resources are working on to send to defaulted employees. All future employees will be on mandatory payroll deduction.

Recordkeeping

Ann McNellis discussed the documents to be posted to the website. Documents include: Plan Documents, Admin Service Agreements, Minutes and Agendas. Historical documents would be password protected for Committee Members to access.

RFP Discussions

Consulting Services for Human Resources

Lori relayed that she had prepared a RFP and was waiting for Jenine's input. Jenine stated that she thought she was doing the County RFP for Plan Providers and not Human Resources Consulting Services RFP. Lori agreed but said she was hoping to get Jenine's assistance with the Scope of Work tasks 1-5. Jenine looked them over and noted that items 1 and 2 are included in her RFP, item 3 should be handled by Risk Management and items 4 and 5 are related to Human Resource Department practices.

Lori asked if Andy Heath, Andy Sisk and Jenine could serve on the Selection Committee for her RFP. Per Counsel, there is no conflict.

She noted that the County RFP has components for Plan Administration, Trust/Custodial Services, Investment, Management, Fiduciary Responsibilities, and other services. Vendors are free to bid on all or part of the proposal. It would be up to the Committee to review and decide if they want to go with one vendor or plan.

Ann asked if HR needs a consultant if the new provider is administrator. Jenine suggested HR hold off until the County RFP is done. Andy Sisk stated that he was supportive of HR's plan to get assistance with MassMutual now and would serve on the Selection Committee for their RFP.

Plan Providers

Jenine distributed a list of services other Counties use. She also distributed an outline for the RFP and went over the various categories and the number of questions in each. Jenine noted that they should have the RFP finalized in the next week or two and would like to discuss before the next meeting.

Jenine distributed a task timeline example from Procurement to share with the Committee. She also noted that the Deferred Compensation Committee will be the Selection Committee for the County RFP.

Jenine will use the list Andy Sisk provided to select vendors to send to. Based on his list, Jenine thinks vendors will most likely bid on all components of the RFP. Matt noted there were several providers he did not see on the list, specifically Vanguard, Templeton and T. Rowe Price. Jenine stated that they could be included but thought they might bring in bidders for pieces of the RFP.

Paul asked what would happen to those with MassMutual should they not will the RFP. Jenine noted that the Committee still needs to decide whether to freeze MassMutual commitments with new investments going to the new firm or map over to the new firm. Jenine also noted that the General Account with MassMutual is the one most employees are in and at a very generous 4% rate. Jenine thinks we might need to try to work something with MassMutual to keep the account. Paul said that as a retiree, he is mostly in the General Account.

Jenine suggested the Committee stand before employees and retirees and state the basis and reasons for the change versus emails or surveys. Andy Sisk agreed.

Jenine also suggested that they take the time to develop a formal process to make this easier to do in the future. She will bring a final RFP draft to the September 14th meeting for review and discussion by the Committee.

MassMutual Presentation Follow-up

Changing Investment Lineup

Andy discussed the potential lineup changes pointed out by Ed Riley of MassMutual in the June meeting and asked if the Committee would like to wait until the RFP is complete to review the Investment lineup or if they would like to do it now. Lori would like to wait, Jenine would like to do it now and freeze contributions into the poor performing accounts. Jenine further suggested that the Committee look at the index accounts (passively managed) because they typically outperform the managed funds over the long haul. Jenine would recommend the index account should the Committee decide to map over employees. Andy Sisk suggesting mapping to the mid cap blend and getting rid of the growth advantage.

Lori suggested the Committee come up with a plan to educate the employees before making changes. Jenine and Paul both noted that we have changed the investment lineup in the past with a 60 day notice to employees.

Jenine would like the Committee to decide to freeze contributions or map over. She suggested freezing contributions now and then mapping over later if MassMutual wins the bid. Jenine motioned to freeze contributions to the Artisan Mid Cap Fund. Second by Lori Walsh, with all in favor. Andy Sisk will contact Ed Riley with a cc to Lori to freeze Artisan Mid Cap.

Jenine went on to suggest that we map to the Russell Mid Cap Index Fund. Employees will be provided 2-3 notifications on the change. Jenine motioned to freeze contributions to the Artisan Mid Cap Fund and map over the State Street S & P. Second by Paul Jacobson, with all in favor.

Andy Sisk briefly discussed the Target Date fund recommendations and suggested the Committee wait until further in the RFP as more education is needed on these type of funds.

Lori asked if the Committee would like to act on the Hartford Capital Appreciation fund as it is trailing S&P by 5%. Jenine suggested we freeze and map to State Street. Lori suggested we follow up with Ed Riley to see if there has been a change in performance on these funds.

Next Scheduled Meetings

Wednesday, September 14, 2016, 1:30 - 3:00 pm in Auditor-Controller Conference Room

Adjourn

Meeting adjourned at 2:58 pm.